

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
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M E M O R A N D U M

TO: All Retirement Systems

FROM: Jim Waldman

RE: Pooled Funds

DATE: October 7, 1998

In an effort to streamline accounting for pooled funds, we are changing the instructions to allow for journal entries for investment income and to separately record realized and unrealized gains and losses. These instructions are the same instructions that were introduced at the Northeast Secretary's meeting in May as well as at the June MACRS Conference. The new instructions are on page two of this memorandum.

For systems that are invested in the PRIT Fund and have not purchased individual segments, you will use ledger number 1199 for the core fund and ledger number 1198 for the PRIT Cash Fund. If you own individual segments of the PRIT Fund, you must use the ledger number that corresponds to the type of fund as indicated on page seven of this memo. Additionally, those that own individual segments will also have a PRIT Cash account which will be recorded in ledger number 1198. Transfers between the core fund, individual segments and the cash fund will be treated as a sale if the funds are transferred out of the account or a purchase if the funds are transferred into the account.

Enclosed is a partial list of pooled funds with the appropriate ledger numbers. If you want additional pooled funds added to this list, you can contact me and we will update this list on our website.

Attached you will also find examples of individual funds and the appropriate accounting instructions. If you need assistance from our audit staff with these instructions, please feel free to contact me at 617-666-4446, x925. If you find that you are having difficulty determining the proper entries, you may fax the pooled fund statements to me at 617-666-4414 and I will fax you back the correct entries that need to be made.

DATE:

NEW POOLED ACCOUNTING INSTRUCTIONS (10/98)

The accounting entries that are listed below correspond to the numbers on the worksheet.

- 1) To record a purchase, make the following cash book entry:

Debit: Pooled Fund (use appropriate ledger)

Credit: Cash

- 2) To record income as a result of investment income, realized or unrealized gains make the following journal entry:

Debit: Pooled Fund (use appropriate ledger)

Credit: Investment Income (ledger 4821)

Credit: Realized Gain (ledger 4884)

Credit: Unrealized Gain (ledger 4886)

If there are operating losses, realized or unrealized losses make the following journal entry:

Debit: Investment Income (ledger 4821)

Debit: Realized Loss (ledger 4885)

Debit: Unrealized Loss (ledger 4887)

Credit: Pooled Fund (use appropriate ledger)

- 3) To record management fees* paid from the fund make the following journal entry:

Debit: Management Fees (Ledger 5304)

Credit: Pooled Fund (use appropriate ledger)

- 4) To record a sale (in the amount of cash distributed to the system) make the following cash book entry:

Debit: Cash

Credit: Pooled Fund (use appropriate ledger)

- 5) To record a stock distribution (in the amount of the market value assigned to the stock distributed) make the following journal entry:

Debit: Equities (ledger 1170)

Credit: Pooled Fund (use appropriate ledger)

***If the fee is paid from retirement system cash and not from the pooled fund, a cash book entry would be made on the disbursements page debiting management fees Ledger (5304) and crediting cash.**

DATE:

NEW POOLED FUND WORKSHEET (10/98)

NAME OF FUND _____

PERIOD ENDING _____, 19__

PLEASE CHECK ONE OF THE FOLLOWING:

____ MONTHLY STATEMENT

____ QUARTERLY STATEMENT

MARKET VALUE AT BEGINNING OF PERIOD \$ _____

PLUS:

PURCHASES BY SYSTEM (1)\$ _____

ADDITIONS DUE TO INCOME:

INVESTMENT INCOME (LOSS) (2)\$ _____

REALIZED GAIN (LOSS) (2)\$ _____

UNREALIZED GAIN (LOSS) (2)\$ _____

LESS:

MANAGEMENT FEES (3)\$ (_____)

SALES BY SYSTEM* (4)\$ (_____)

STOCK DISTRIBUTION** (5)\$ (_____)

MARKET VALUE AT END OF PERIOD \$ _____

*Includes income not reinvested and cash distribution to system

STOCK DISTRIBUTION

_____	_____	\$ _____
# of shares	name of stock	market value
_____	_____	\$ _____
# of shares	name of stock	market value
_____	_____	\$ _____
# of shares	name of stock	market value
		\$ _____
		total market value

****Total market value of new stock should correspond to the decrease in market value of pooled fund.**

DATE:

Listed below are the ledger accounts to be used for pooled funds and the partial list of pooled funds and their appropriate ledger numbers:

For Short Term Investments:

1101-Pooled Short Term Funds

For Equities:

1172-Pooled Domestic Equity Funds

1173-Pooled International Equity Funds

1174-Pooled Global Equity Funds (Domestic and International Equities)

For Fixed Income Securities:

1181-Pooled Domestic Fixed Income Funds

1182-Pooled International Fixed Income Funds

1183-Pooled Global Fixed Income Funds (Domestic and International Fixed Income)

For Alternative Investments:

1193-Pooled Alternative Investments/Private Equity (Venture Capital)

For Real Estate Investments:

1194-Pooled Real Estate Funds

For Balanced Fund Investments:

1195-Pooled Domestic Balanced Funds (Domestic Equities and Fixed Income)

1196-Pooled International Balanced Funds (International Equities and Fixed Income)

For PRIT Fund Investments:

1199-PRIT Fund (This account number is to be used only in instances where the PRIT Core Fund is owned, any individual segment that is owned separately must be listed in the appropriate ledger account as indicated on page 7.)

1198-PRIT Cash -Systems that own shares in either the PRIT Fund or any of the segments of the PRIT Fund will also have funds in the PRIT Cash. Accounting instructions for PRIT Cash will be exactly the same as for other pooled funds.

DATE:

<u>Fund Name</u>	<u>Ledger Number</u>
AELTUS #300 SMALL CAP EQ	1172
AFL-CIO HOUSING TRUST	1181
AIB INVMT MGR FUND	1173
ALLEGIS #50 PARTICIPATING MTG	1194
ALLEGIS #87 REAL ESTATE	1194
ALLEGIS #148 CONGREGATE CARE	1194
ALLMERICA SELECT INTL EQ FUND	1173
BABSON STEW IVRY INT 3	1173
BACHOW INVESTMENT	1193
BAYBANK SMALL CAP FUND	1172
BIAM SAF INTL EQUITY TR	1173
BOSTON CAP VENTURES II	1193
BOSTON CAP VENTURES III	1193
BOSTON CO ACTIVE EQTY FD	1172
BOSTON CO EMERGING MKTS	1173
BOSTON CO INTL EQUITY FD	1174
BOSTON CO PREMIER VALUE EQTY	1172
BOSTON CO SMALL CAP FD	1172
BOSTON MILLENNIA PARTNERS	1193
BRANDES INTL EQUITY TRUST	1173
BRANDYWINE GBL FIXED INCOME	1183
BRANDYWINE INTL EQUITY	1173
BRINSON PARTNERS TRUST	1172
CAREY INSTL PROPERTIES FUND	1194
CHARLES RIVER PTRSHP VII	1193
CHARLES RIVER PTRSHP VIII	1193
COHEN & STEERS REALTY SHARES	1193
COLUMBUS CIRCLE INVESTORS	1172
COMM BIOVENTURES III	1193
COMM BIOVENTURES IV	1193
COPLEY PARTNERS #1	1193
COPLEY PARTNERS #2	1193
DEAN WITTER REALTY	1194
DELAWARE INTL GL FXED INC	1182
DIVERSIFIED INVESTMT ADVSRS	1172
DREYFUS SMALL CAP FUND	1172
EQUITABLE RE. INVEST MGMT	1194
EQUITABLE VALUE ENHANCE II	1194
EUROPACIFIC GROWTH FD	1173
FEDERATED/ENTERPRISE FD	1181
FIDELITY CONTRA FUND	1195
FIDELITY EQUITY INCOME	1195
FIDELITY FUND INC	1172

DATE:

FIDELITY GROWTH & INCOME FD	1172
FIDELITY GROWTH & INCOME FD	1172
FIDELITY MAGELLAN FD	1172
FIDELITY RE. HIGH INC II	1194
FIDELITY VALUE FUND	1195
FLAGSHIP S&P 500 (STATE STREET)	1172
FLEET SMALL CAP EQUITY FUND	1172
FRANK RUSSELL EQUITY I	1172
FRANK RUSSELL INTL FD	1173
FRK RUSSELL TACTL ASSET	1195
GALAXY FD EQTY VAL CLC	1172
GFM INT'L INV BD FD #64	1182
GUINNESS FLIGHT GBL GRP TR	1182
GUINNESS FLT INTL EQUITY TR	1173
HALPERN DENNY FD II	1193
HAMBRO EUROPEAN VENTURES III	1193
HAMBRO N. IRELAND VENTURE	1193
HANCOCK FORESTREE IV LP	1193
HEITMAN R E. FUND V	1194
HOTCHKIS & WILEY INTL GRP TR	1173
IAI GRWTH EQUITY COLLECTIVE FD	1172
IAI MID-CAP GROWTH FD	1174
INVESCO HIGH YIELD INCOME FD	1181
INVESCO TR INTL EQUITY FUND	1173
IRISH LIFE INTL EQUITY PRODUCT	1173
ITC EQUITY R E. FUND	1194
JANUS FUND	1174
JMIC SMALL CAP FD	1172
JOHN HANCOCK SPCL EQUITY FD	1172
JULIUS BAER INT'L GOV	1182
KEYSTONE SMALL CAP GRWTH FD	1172
LAZARD INTL EQUITY	1173
LEHN&BABSON 90'S INV PROG	1194
LEHNDORF & BABSON III	1194
LEHNDORF & BABSON IV	1194
LOOMIS SAYLES INV TRUST	1195
MAS DOMESTIC FIXED FD	1181
MAS EQUITY FUND	1172
MAS FIXED INCOME PORTFOLIO	1181
MAS LARGE CAP VALUE PRODUCT	1172
MATRIX STOCK FD	1172
MERRILL LYNCH GIC	1181
MET LIFE BD FD #135	1181
MET LIFE BROAD MKT #41	1181
MET LIFE MKT PLUS #110	1181
MET LIFE R.E. TOWER - 11396	1194

DATE:

MET LIFE TOWER FD	1194
METLIFE REAL ESTATE SERIES II	1194
METRIC APT CO-INVEST TR	1194
METRIC INST APT FD I	1194
METRIC INST APT FD II	1194
MFS BOND FUND-A	1183
MIG RESIDENTIAL REIT INC	1194
MONTGOMERY EMERG MKTS FD	1173
MORGAN GRENFELL INVMT TR	1183
MUTUAL BEACON FUND	1195
NEW ENGLAND GROWTH I	1193
NEW ENGLAND GROWTH FD II	1193
NORTH ATLANTIC VENTURESS II	1193
NORTH BRIDGE VENTURE I	1193
NORTH BRIDGE VENTURE II	1193
PAINEWEBBER EQTY II	1194
PAINEWEBBER EQTY III	1194
PAINEWEBBER INDEP LIV MTG	1194
PALMER ORGANIZATION III	1193
PANAGORA BOND INDEX FUND	1181
PANAGORA EQUITY INDEX FD	1172
PANAGORA TAA EQUITY FD	1195
PHOENIX RE ADV (RESA)	1194
PIMCO LOW DURATION FD	1181
PIMCO TOTAL RETURN FD	1183
PIONEER VENTURES LP II	1193
PRISM VENTURE PARTNERS I	1193
PRIT CAPITAL FUND (CORE FUND)	1199
PRIT DOMESTIC EQUITY FUND	1172
PRIT INTERNATIONAL EQUITY FUND	1173
PRIT EMERGING MARKET FUND	1173
PRIT FIXED INCOME FUND	1181
PRIT CORE REAL ESTATE FUND	1194
PRIT VINTAGE YEAR ACCOUNT	1193
PUTNAM CORE GROWTH EQ(MWRA)	1172
PUTNAM EUROPE GROWTH FD	1173
PUTNAM HORIZON MGMT TR	1172
PUTNAM INT'L TRUST	1173
PUTNAM INT'L FIXED INCOME TR	1182
PUTNAM MID CAP EQUITY TRUST	1172
PUTNAM WORLD INCOME TR	1183
RHUMBLINE EXTENDED MKT FD	1172
RHUMBLINE GROUP TRUST	1172
RHUMBLINE RUSSELL 200 INX FD	1172
RHUMBLINE S&P500 INDEX FUND	1172
RICE MEZZANINE LENDERS LP	1194

DATE:

RII TIMBERLAND III LLC	1194
RII WORLD TIMBERFUND	1194
RII WORLD TIMBERFUND LP	1194
ROWE PRICE FLEMING EQ FD	1173
RUSSELL 1000 INDEX FD	1172
SAM BOND FUND	1181
SAM STOCK FUND	1172
SAFECO INTERNATNL STOCK FND	1173
SALUS MKT NEUTRAL CONSERVATIVE	1172
SCOTTISH EQUITABLE INTL FND	1182
SCUDDER INTL EQTY FD	1173
SECTOR PLUS GROUP TRUST	1172
SELIGMAN HENDERSON GRP TRUST	1173
SENTINEL REALTY PTNRS II	1194
SENTINEL REALTY PTNRS III	1194
SHURGARD INST LP	1194
SHURGARD INST LP II	1194
SMITH BARNEY INTL EQTY	1173
SOGEN OVERSEAS FUND	1173
SSGA BALANCED GROWTG FUND	1195
SSGA SHORT TERM BOND FUND	1181
SSGA/FREEDOM EQ STYLE FD	1172
SSR APARTMENT VALUE FUND L.P.	1194
SSR APARTMENT VALUE FUND	1194
STANDISH FIXED INCOME FD	1183
STANDISH INT'L EQUITY FD	1173
STANDISH INTL FIXED FD	1182
STANDISH SMALL CAPITALIZATION	1172
STATE ST DAILY ACTIVE DEVLDP	1173
STATE ST DAILY BOND MKT FD	1181
STATE ST GVMT CORP BOND FD	1181
STATE ST GRWTH EQTY #40	1172
STATE ST INTERMEDIATE BOND FD	1181
STATE ST INTL FIXED INCOME FD	1182
STATE ST INTL INDEX FUND	1173
STATE ST MATRIX SMLL CAP	1172
STATE ST PASSIVE EMERG MKTS FD	1173
STATE ST REIT FUND	1193
STATE ST RES OPP HIGH YLD BND	1181
STATE ST RES OPP NONDOLLAR BD	1173
STATE ST RESH CAP APP#43	1172
STATE ST RESH SMALL CAP#96	1172
STATE ST RUSSELL 1000 GRWTH FD	1172
STATE ST RUSSELL 1000 VALUE FD	1172
STATE ST RUSSELL 2000 GRWTH FD	1172

DATE:

STATE ST RUSSELL 2000 VALUE FD	1172
STATE ST S&P MIDCAP FUND	1172
STATE ST BOND MKT INDEX FD	1181
STATE ST DAILY ACTIVE FD	1172
STATE ST DAILY GVMT FD	1181
TA REALTY ASSOC FUND III	1194
TA REALTY ASSOC FUND IV	1193
TEMPLETON FOREIGN SAF	1173
TICONDEROGA PARTNERS III	1193
WARBURG PINCUS INTL FD	1173
WASHINGTON MUTUAL	1172
WORLD ASSET MGMT S&P 500	1172
WPG CORP DEV ASSOC IV LP	1193
WRIGHT INVESTORS' SERVICE	1173
WTC-STRAT TOTAL RETURN FD	1183
WTC-CIF SMALL CAP 2000	1172
WTC-CIF EMERGING MKT PORT	1173
WTC-CIF US HIGH YIELD FUND	1181
WTC-INTL STOCK PORT	1173
WTC STRUCT MID CAP PORT	1172
ZERO STAGE CAPITAL LP V	1193